UNITED STATES OF AMERICA
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF ADMINISTRATIVE LAW JUDGES

In the Matter of: JOSEPH W. CIRILLO, Respondent

HUDALJ 90-1525-DB

Decided: June 19, 1991

Richard L. Darst, Esquire
For the Respondent

Austin Horowitz, Esquire
For the Government

Before: THOMAS C. HEINZ
Administrative Law Judge

INITIAL DETERMINATION

Statement of the Case

This proceeding arose pursuant to 24 C.F.R. Sec. 24.100 *et seq*. as a result of action taken by the Assistant Secretary for Housing of the Department of Housing and Urban Development ("the Department" or "HUD" or "the Government") on July 11, 1990, in a letter proposing to debar Respondent, Joseph W. Cirillo ("Respondent"), and his affiliate, Quality Homes, from participating in covered transactions as either participants or principals at HUD and throughout the Executive Branch of the Federal Government and from participating in procurement contracts at HUD for a period of five years

beginning January 2, 1990.[1] The action was based on Respondent's conviction for violation of 18 U.S.C. Secs. 371 and 1010. Respondent has appealed the July 11, 1990, action by the Department and requested a hearing.

[1]Respondent and his affiliate apparently were suspended from engaging in covered transactions and contracts on January 2, 1990, but the record does not contain a copy of the letter evidencing that action or any evidence indicating whether or not Respondent requested a hearing based on the suspension. The July 11, 1990, letter stated, "pending final determination of the issues in this matter, you and your affiliate continue to be temporarily suspended from further participation in such transactions and contracts."

Findings of Fact

1. Respondent Cirillo is a real estate broker and investor. Quality Homes is a partnership engaged in the real estate business. Respondent Cirillo is one of the three partners who own and operate Quality Homes. (Gx. B, Gx. D.)[2]

2. On October 18, 1989, Respondent was indicted by a grand jury for the United States District Court for the Southern District of Indiana in an eight-count Indictment charging Respondent with violations of 18 U.S.C. Secs. 371 and 1010. (Gx. B, Gx. D)

3. On December 7, 1989, Respondent was convicted of Count 1 and Count 8 of the Indictment on the basis of a guilty plea and received a sentence that, *inter alia*, included $20,000 restitution to HUD, three years imprisonment with all but three months suspended, three years probation, 200 hours of unspecified community service, and debarment "from his relationship with HUD" for two years. (Gx. C)[3]

Subsidiary Findings and Discussion

The purpose of debarment is to protect the public interest by precluding persons who are not "responsible" from conducting business with the federal government. 24 C.F.R. Sec. 24.115(a). *See also Agan v. Pierce*, 576 F. Supp. 257, 261 (N.D. Ga. 1983); *Stanko Packing Co., Inc. v. Bergland*, 489 F. Supp. 947, 948-49 (D.D.C. 1980). The debarment process is not intended to punish; rather, it is designed to protect

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[2]The following reference abbreviations are used in this decision: "Gx." for "Government's Exhibit; and "Rx." for "Respondent's Exhibit."

[3]The Judgment of the Court reads:

> On Count 1, the defendant is committed to the custody of the Attorney General or his authorized representative for imprisonment for a term of three (3) years. Execution of said sentence is suspended and the defendant is placed on probation for a period of three (3) years, to begin upon his release from the term of imprisonment imposed on Count 8, and with the special condition that he pay restitution to the United States Department of Housing and Urban Development in the amount of $20,000.00, in installments as arranged with the Probation Officer during the period of probation. On Count 2 [*sic*; later amended to "1"] the defendant is committed to the custody of the Attorney General for imprisonment for a term of two (2) years and, on condition that the defendant be confined in a jail-type or treatment institution for a period of three (3) months, the execution of the remainder of the sentence of imprisonment is suspended and the defendant placed on probation for a period of three (3) years, to commence upon his release from imprisonment and with the following special conditions: 1) that he be debarred from his relationship with HUD for a period of two (2) years and 2) that he perform two hundred (200) hours of community service during the period of probation.

governmental interests not safeguarded by other laws. *Joseph Constr. Co. v. Veterans Admin.*, 595 F. Supp. 448, 452 (N.D. Ill. 1984). In other words, the purpose of debarment is remedial, not punitive. *See* 24 C.F.R. Sec. 24.115.

In the context of debarment proceedings, "responsibility" is a term of art that encompasses integrity, honesty, and the general ability to conduct business lawfully. *See* 24 C.F.R. Sec. 24.305. *See also Gonzalez v. Freeman*, 334 F.2d 570, 573 & n.4, 576-77 (D.C. Cir. 1964). Determining "responsibility" requires an assessment of the current risk that the government will be injured in the future by doing business with a respondent. *See Shane Meat Co., Inc. v. U.S. Dep't of Defense*, 800 F.2d 334, 338 (3d Cir. 1986). That assessment may be based on past acts, including a previous conviction that occurred several years before the assessment. *See Agan*, 576 F. Supp. 257; *Delta Rocky Mountain Petroleum, Inc. v. U.S. Dep't of Defense*, 726 F. Supp. 278 (D.Colo. 1989).

Cause Exists to Debar Respondent

Respondent is subject to the Department's debarment regulations codified at 24 C.F.R. Part 24 because, as a real estate broker who has engaged in transactions involving HUD-FHA insured loans, he is a "participant" within the meaning of 24 C.F.R. Sec. 24.105(m) and a "principal" within the meaning of 24 C.F.R. Sec. 24.105(p)(11).

Under 24 C.F.R. Sec. 24.305, the Department may debar a participant or principal based on, *inter alia:*

> (a) Conviction or civil judgment for:
>
> * * *
>
> (3) Commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, making false claims, or obstruction of justice;

Section 24.313(b)(3) of 24 C.F.R. provides that cause for debarment must be established by a preponderance of the evidence, a standard deemed met by evidence of a conviction. Since the record shows Respondent has been convicted of conspiracy to make false statements to HUD and making a false statement to HUD, the Government unquestionably has satisfied its burden under 24 C.F.R. Sec. 24.313(b)(4) to prove cause for debarment, a conclusion Respondent concedes. (Brief, p. 5) However, a debarment cannot stand simply and solely on evidence sufficient to establish cause for debarment. Debarment is discretionary. It is therefore necessary to consider what the evidence shows about the seriousness of Respondent's conduct as well as any evidence in mitigation.[4] (24 C.F.R. Sec. 24.115)

[4]Because this case is based solely on a conviction, the evidence is limited to documents submitted into

Respondent's offending conduct is summarized in the "Prosecutive Version" (Gx. D)of the offenses submitted by the United States Attorney to the District Court. That document states in part:

> During the period beginning in January, 1985, and continuing through June, 1987, JOSEPH W. CIRILLO was a licensed real estate broker engaged in the purchase and sale of real estate in the Indianapolis area. CIRILLO did business, along with his partners, as Quality Homes Realty.
>
> During the course of the conspiracy alleged in Count 1, CIRILLO bought low-income-type residential real estate in Indianapolis, intending to resell the real estate at a profit by attracting buyers whom he assisted in obtaining mortgage loans insured by FHA. In nearly every case, the prospective borrower would not have been able to obtain a mortgage to purchase the house unless HUD/FHA would commit to insure the mortgage.
>
> Because many of these purchasers did not meet the standards of minimum investment and income required by FHA, CIRILLO systematically assisted and counselled prospective borrowers in uttering false and fraudulent statements designed to induce FHA to extend mortgage insurance. For example, JOSEPH CIRILLO:
>
> --caused to be submitted to FHA mortgage insurance applications containing material false information regarding, among other things, the nature and quantity of assets owned by the applicant, employment history of the applicant, cash available to the applicant with which to provide the down payment, and the social security number of the applicant (so as to conceal unfavorable credit history);

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the record by the parties. (24 C.F.R. Sec. 24.313(b)(2)(ii))

--submitted forged letters, purporting to be written by past employers of the applicant, attesting to false employment history;

--gave cash and other things of value to at least one employee of a mortgage lender, as a reward for processing a fraudulent loan application;

--submitted forged letters, purporting to have been written by the applicant, and providing wholly false explanations for apparent irregularities in the credit history of the applicant;

--used his membership privileges in a credit reporting agency, under another business name, to create false favorable credit history for the applicant;

--created temporary bank accounts in the name of the applicant or caused deposits to be made to existing bank accounts of the applicant, using CIRILLO'S personal funds or funds of Quality Homes, in order that the applicant's purported bank balance could be verified by FHA. After verification, the money would be withdrawn and/or the account closed;

--gave cash to applicants shortly before closing, and instructed them to deliver the cash to the escrow agent as if they themselves were making the required minimum investment in the property.

The conspirators in the foregoing scheme included persons known and unknown to the Grand Jury, including business partners of Quality Homes, certain mortgage company employees, and the borrowers themselves.

The Indictment, in addition to the Conspiracy count, charges seven substantive false statement counts, each relating to a separate specified piece of real estate and corresponding borrower. In all of these cases, the loans defaulted very early, with resultant losses to the Government....

Count 8, to which the Defendant is also pleading guilty, relates to the purchase of a house at 3443 Forest Manor Drive, Indianapolis, by one Trevor Ishmael. In this instance, on or about May 20, 1987, CIRILLO knowingly caused to be submitted a mortgage insurance application that falsely

> stated the applicant's employment history, personal assets, and social security number.

The U.S. Attorney's account of Respondent's conduct is taken directly from Count 8 and Count 1 (the conspiracy count) in the indictment. Using rules applicable in a court of law, Respondent mistakenly argues that in this forum he cannot be found to have engaged in any conduct other than that alleged in Overt Act g of Count l and Count 8 of the indictment because in the District Court criminal proceeding he denied all the rest of Count 1, and Counts 2 through 7 were dismissed. Contrary to Respondent's argument, Respondent's plea agreement (Rx. 1) and the Judgment of the District Court (Rx. 29) show that Respondent in fact pleaded guilty to all of Count 1, and he was found guilty of all of Count 1, not just Overt Act g. That fact is corroborated by "Defendant's Version Of The Offense From His Attorney" filed in District Court, which states in part: "Joe Cirillo has pleaded guilty to Count 8, which involves a buyer by the name of Trevor Ishmael, and Count l, the conspiracy count which includes as Overt Act g the transaction with Trevor Ishmael." (Rx. 2) This language does not deny any of the allegations of the indictment, nor does any part of Respondent's version of the offense materially contradict the prosecutor's version of the offense.[5] In short, there is no evidence in this record that Respondent denied all of the allegations in Count 1 of the indictment except Overt Act g. Furthermore, the rules of procedure governing this proceeding require only that findings must rest on "reliable and probative evidence" and that technical objections to the admission of evidence as used in a court of law will not be sustained." (24 C.F.R. Secs. 26.23(a) and 26.24(c)) Only irrelevant, immaterial, privileged, or unduly repetitious evidence may be excluded. (24 C.F.R. Sec. 26.23(a)) All of the documents submitted by the parties, including the "Prosecutive Version" and the Respondent's version of the offense, satisfy this test of admissibility and therefore may be relied upon, as appropriate, to support findings of fact. These materials clearly show that the cause for debarring Respondent is very serious.

Debarment for More than Three Years Would Be Inappropriate

The Government argues that Respondent's offenses were so serious that they merit debarment for five years, but that argument cannot be endorsed. The regulations clearly contemplate that in the ordinary case no more than three years of debarment is appropriate, and that only drug cases and other extraordinary cases warrant longer sanctions. Section 24.320 of 24 C.F.R. provides in part:

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[5]The Indictment and the "Prosecutive Version" state that Respondent was responsible for the submission of a mortgage application that falsely stated the social security number of the applicant. "Defendant's Version Of The Offense From His Attorney" states that Respondent "does not know the truth or falsity of that allegation" but concedes that "this does not eliminate his guilt on those counts, because only one false statement is required for conviction." (Rx. 2) Only one false statement is likewise required to sustain debarment in this proceeding.

> (a) Debarment shall be for a period commensurate with the seriousness of the cause(s)...
>
> (1) Debarment for causes other than those related to a violation of the requirements of Subpart F of this part generally should not exceed three years. Where circumstances warrant, a longer period of debarment may be imposed.
>
> (2) In the case of a debarment for a violation of the requirements of Subpart F of this part (*see* Sec. 24.305(c)(5)), the period of debarment shall not exceed five years.

Subpart F of the regulations sets out requirements regarding a drug-free workplace. The instant case does not involve drugs. Nevertheless, citing the "where circumstances warrant" language in 24 C.F.R. Sec. 24.320, the Government argues that because Respondent's conduct was "intentional," "willful," "flagrant," and "egregious," debarment should be for five years. That argument has no merit. Section 24.305 of 24 C.F.R. contains a long list of causes for debarment, including conviction for fraud, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, making false claims, and other crimes involving moral turpitude. By definition such crimes are "willful" and "intentional." Moreover, other subsections of 24 C.F.R. Sec. 24.305 expressly cite different forms of "willful," non-criminal conduct as possible causes for debarment. (*See* 24 C.F.R. Secs. 24.305(b)(1) and (3)) Therefore, to say that Respondent's conduct was "intentional" and "willful" does not make it extraordinary. Nor does offending conduct become extraordinary just because it was punished with a jail sentence; nearly all of the crimes listed as causes for debarment in 24 C.F.R. Sec. 24.305 are punishable by incarceration. Further, even if a respondent engaged in proscribed conduct on more than one occasion, that fact standing alone would not remove the case from the three year category. By using the plural form to describe some of the listed crimes (such as "destruction of *records*," "making false *statements*," and "making false *claims*"), the regulations anticipate that many ordinary debarment respondents will have violated the law more than once. That Respondent made more than one false statement does not in itself make his case any more serious than the mine run of debarment cases. In short, notwithstanding the Government's argument to the contrary, the record shows nothing about Respondent's criminal conduct that was so "flagrant" or "egregious" or extraordinary that debarment for five years would be appropriate.

Mitigating Evidence Requires a Reduction in the Period of Debarment

Determining the appropriate length of a debarment requires consideration of any mitigating evidence as well as evaluation of the seriousness of the cause for debarment. (*See* 24 C.F.R. Sec. 24.115(d)) Respondent filed no statement on his own behalf;

rather he filed copies of 25 unsworn testimonials that had been filed with the District Court in November of 1989.[6] These testimonials were submitted to the Court by the pastor of Respondent's church, fellow parishioners, real estate business colleagues, employees, and real estate customers. Most appear to have been prompted primarily by fears that Respondent might be given a jail sentence. Many of the statements assert that Respondent's behavior markedly improved after a religious conversion experience. However, numerous inconsistencies in these statements make it unclear exactly when Respondent's religious conversion experience occurred, or exactly what effect that experience has had on Respondent's business behavior. Nevertheless, taken as a whole, the testimonials indicate that a number of people who claimed to know Respondent well in November of 1989 believed his behavior had become more responsible than it was before and during the period when he engaged in the conduct that gave rise to his conviction. Accordingly, even though the testimonials were not prepared under oath, are often inconsistent with one another, and are shot through with hearsay, this evidence must be given some credit, particularly since the Department has not submitted any evidence that rebuts it.[7]

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[6]The Notice of Hearing and Order issued herein on August 15, 1990, invited Respondent to support his argument with "documentary evidence, including affidavits or depositions." Argument is more persuasive if supported by credible sworn statements than if supported by unsworn statements and hearsay.

[7]The Department's evidence consists solely of the original debarment letter (Gx.A), the indictment (Gx.B), the District Court judgment (Gx.C), the "Prosecutive Version" of the offense (Gx.D), and the

"Supplement to Prosecutive Version" (Gx.E). Copies of the pre-sentencing report, a transcript of the sentencing hearing, and any written findings of the Court regarding the sentence would have been very useful.

The record shows several other mitigating factors to be considered in Respondent's favor: (1) after his conviction, Respondent cooperated with law enforcement agents during their continuing investigation of allegations of fraud upon HUD/FHA mortgage insurance programs; (2) his conviction rests on a guilty plea rather than a verdict or finding after trial; (3) he apparently is in the process of paying $20,000 to HUD as restitution as ordered by the Court; and (4) he apparently has served his jail sentence.

Respondent should be rewarded in this proceeding for cooperating with the Government in the District Court case and for pleading guilty. The Department argues that that cooperation was motivated only by Respondent's desire to reduce his sentence. That is a plausible argument, but it is equally plausible that Respondent's cooperation and guilty plea signify a variety of commendable motives, such as remorse, a desire to make amends for past transgressions, a sense of public duty, or other feelings manifesting "responsibility," as that concept is used in debarment proceedings. The Department may be right, but in the absence of any evidence to support the Department's argument, Respondent must be given the benefit of the doubt on these points.

Respondent participated in a conspiracy that caused net losses to the HUD/FHA mortgage insurance program of $91,678.81. (Gx. E) That is a substantial amount of money, but it is relatively small compared to losses of hundreds of thousands or even millions of dollars caused by some other debarment respondents. In the absence of evidence to the contrary, we must assume Respondent is obeying the Court's order and is in the process of paying $20,000.00 to the Government as restitution. Unless the record shows otherwise, making restitution for one's crimes should be viewed as evidence of responsibility.[8]

Respondent has served a three-month jail sentence. Incarceration presumably has a deterrent effect. It is therefore reasonable to conclude that Respondent is now less likely to engage in "irresponsible" conduct than he was before he went to jail.

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[8]Respondent argues in his brief that the District Court found that he was only responsible for $20,000.00 out of the $91,687.81 in damages claimed by the Government. Inasmuch as the Court's findings are not in evidence, it is impossible to determine whether Respondent's argument is sound.

Accordingly, Respondent's period of debarment should be shorter than it would be if he had not served the jail sentence.

In the absence of creditable mitigating evidence, Respondent's crimes were sufficiently serious to warrant debarment for three years. A three-year sanction would be, in the language of 24 C.F.R. Sec. 24.320(a), "commensurate with the seriousness of the cause." Respondent's crimes were so serious that they created a very strong inference that Respondent would remain "irresponsible" for several years thereafter. In a "Notice of Hearing and Order" dated August 15, 1990, Respondent was explicitly invited to submit a sworn statement into the record in this proceeding. He did not. Instead, he has chosen to rely upon the unsworn, hearsay statements of other people to plead his case. The failure to file a statement subject to perjury penalties persuades me that Respondent is not yet "presently responsible," that he is not yet a person who can be fully trusted to act honestly and forthrightly with the Government. However, mitigating factors require a reduction in the period of debarment from 36 to 27 months. Because a suspension was imposed on Respondent on January 2, 1990, the period of debarment will begin on that date, pursuant to 24 C.F.R. Sec. 24.320(a). It will expire at approximately the same time as the debarment imposed by the District Court because the District Court's 24-month debarment began upon expiration of Respondent's three-month prison term in April of 1990.[9] (*See* Gx. C)

The District Court Conviction and Sentence Do Not Preclude Debarment by HUD

Respondent argues that the issue of Respondent's debarment has already been litigated in District Court, and since the District Court has already debarred Respondent for 24 months, the doctrines of double jeopardy, res judicata, and collateral estoppel bar relitigation of that issue in this forum. These arguments have no merit.

The double jeopardy doctrine does not apply in this case because that doctrine can only apply to a civil action with a punitive purpose, whereas the purpose of this

[9]While the temporal scope of these two debarments nearly coincide, the reach of the debarment sought by the Department differs markedly from the debarment imposed by the District Court. Whereas the District Court debarment only prohibits Respondent from participating in nonprocurement and procurement activities with HUD, the Department also wants to include Respondent's affiliate, Quality Homes, within the reach of the debarment and to prohibit their participation in nonprocurement activities throughout the Executive Branch of the Federal Government.

debarment proceeding is entirely remedial, that is, the sole goal of this civil action is to protect the public interest. *See* 24 C.F.R. Sec. 24.115(b). It is not designed to punish Respondent for the improper conduct that was the subject of the criminal proceeding leading to Respondent's conviction. *See United States v. Halper*, 490 U.S. 435 (1989).

Under the doctrine of res judicata, "a judgment on the merits in a prior suit bars a second suit involving the same parties or their privies based on the same cause of action." *Parklane Hosiery Co. v. Shore*, 439 U.S. 322, 326 n.5 (1979). *See also Shaver v. F.W. Woolworth Co.*, 840 F.2d 1361, 1364 (7th Cir. 1988). Assuming, *arguendo*, that the parties in this proceeding are either identical to or in privy to the parties in the previous criminal proceeding, the doctrine of res judicata nevertheless cannot operate to bar this administrative proceeding, because the cause of action pursued by the Government in the 1989 criminal proceeding necessarily differed from the cause of action in this proceeding. The United States Court of Appeals for the Seventh Circuit has defined a single "cause of action" as "'a core of operative facts' which give rise to a remedy." *Shaver*, 840 F.2d at 1365, *quoting In re Energy Cooperative, Inc.*, 814 F.2d 1226, 1230-31 (7th Cir. 1987), *cert. denied*, 484 U.S.928 (1987), and *Car Carriers, Inc. v. Ford Motor Co.*, 789 F.2d 589, 593 (7th Cir. 1986). In Respondent's criminal case, Respondent was found guilty of having engaged in a "core of operative facts" constituting criminal conduct. The Government successfully sought punitive remedies based on that conduct. The Department now seeks a purely civil remedy in this forum. In order for the Department to prevail, the record must show that Respondent not only engaged in criminal acts manifesting a lack of "present responsibility" as alleged by the Government, but the evidence must also demonstrate that Respondent continued to be "irresponsible" as of the time the evidence was submitted in this forum, *viz.*, November 1990. In other words, since the issue of Respondent's "present responsibility" in November of 1990 was not and could not have been before the District Court in December of 1989, this case has a different "core of operative facts" and hence a different cause of action than the cause of action in the criminal proceeding. Accordingly, res judicata does not apply.

The doctrine of collateral estoppel precludes relitigation of issues actually and necessarily decided in a prior action even when the prior action was based on a different cause of action. *Parklane Hosiery Co.*, 439 U.S. 322, 326 n.5 (1979). *See also Shaver*, 840 F.2d at 1364. The central question in any debarment proceeding is the issue of a respondent's "present responsibility," a term of art in debarment law, as noted *supra*. Whatever sanction is imposed depends upon the way that issue is decided. Assuming (without deciding) that the District Court would have jurisdiction to decide that issue, nothing in this record, including the plea agreement between Respondent and the United States Attorney in the District Court proceeding, shows that the question of Respondent's "present responsibility" was raised, fully and fairly litigated, and finally decided in the criminal action ending in Respondent's conviction. The plea agreement merely indicates counsel for the parties recommended to the Court that debarment from HUD-FHA should be a condition of any probation the Court might impose. It does not follow from the plea agreement or from the District Court sentence

debarring Respondent "from his relationship with HUD" for two years that the Court in fact considered the issue of Respondent's "present responsibility" in the same way that issue must be considered in a debarment proceeding. No such inference can be made because, absent any contrary evidence, we must conclude that the purpose of any sentence handed down in a criminal proceeding was at least partly, if not entirely, punitive. In contrast, the purpose of a debarment sanction must be exclusively non-punitive. In short, Respondent has not satisfied his burden to demonstrate that the issue of "present responsibility" was actually adjudicated in the prior proceeding. *See Harris v. Jacobs*, 621 F.2d 341, 343 (9th Cir. 1980). Accordingly, since the issues decided in the criminal action leading to Respondent's conviction necessarily differed from those presented in the instant case, and the record does not show that the issue of "present responsibility" was fully adjudicated in the criminal proceeding, the doctrine of collateral estoppel does not preclude HUD from debarring Respondent.

Quality Homes also Must Be Debarred

Respondent is one of three partners doing business as Quality Homes. General principles of partnership provide that each partner has an equal voice in the control and conduct of a partnership business unless the partners explicitly agree otherwise. *See 68 C.J.S. Partnership* Sec. 89 (1950). Respondent's argument on brief that he does not control or have the power to control Quality Homes cannot be credited because there is no evidence in the record to support it. Quality Homes therefore is an "affiliate" within the meaning of 24 C.F.R. Sec. 24.105(b), and affiliates may be included in a debarment action. *See* 24 C.F.R. Sec. 24.325 (a)(2). It is particularly appropriate to include Quality Homes in this debarment action because Respondent has admitted by pleading guilty to Count 1 of the Indictment that many of his criminal acts were done in the name of Quality Homes, as alleged in Count I of the Indictment. (Gx. B.) In addition, the "Prosecutive Version" of Respondent's offenses states that his co-conspirators included "business partners of Quality Homes," among others. (Gx. D, p.4) Accordingly, Quality Homes also must be debarred.

Conclusion and Determination

Upon consideration of the public interest and the entire record in this matter, I conclude and determine that good cause exists to debar Respondent, Joseph W. Cirillo, and his affiliate, Quality Homes, from participating in covered transactions as either participants or principals at HUD and throughout the Executive Branch of the Federal Government and from participating in procurement contracts at HUD for a period of 27 months beginning January 2, 1990.

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THOMAS C. HEINZ
Administrative Law Judge

Dated: June 19, 1991

CERTIFICATE OF SERVICE

I hereby certify that copies of this INITIAL DETERMINATION issued by THOMAS C. HEINZ, Administrative Law Judge, in HUDALJ 90-1525-DB, were sent to the following parties on this 19th day of June, 1991, in the manner indicated:

_____
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